



The spread of the COVID-19 infection has transformed the world. This unprecedented global shock is transforming our social structure and significantly changing our consumption structure. The business environment around us is extremely uncertain and severe, and it is clear that if we take the wrong measures, we will be able to risk the survival of the Company.

At the same time, even in this environment, we need to face the reality that a number of companies are achieving growth and improving profitability through innovation. In other words, the fundamental problems we face now is the lack of the ability and speed to respond to rapid changes in the external environment.

We need to be prepared to fight against the “invisible enemies” we face today for a certain length of time. The

COVID-19 pandemic forced most of our department stores and PARCO stores to close from April. The Company decided to resume operations in stages by creating a safe and secure environment that reduces the risk of infection and taking into account conditions in each region. However, there is a concern about a possible second wave of infections and we cannot relax our attention.

These factors are expected to have an extremely severe impact on results of operations. It may be said that this is the greatest crisis in our history. On the other hand, it is also true that there was much awareness that may lead to the future of the Group from the experiences that might not have been gained without this crisis, such as constrained environments including voluntary ban on leaving home and restrictions on travel.



In Anticipation of a New Era, We Will Strive to Create Change.

We have encountered a number of such crises over the long history of 300 years and 400 years since our founding. However, I am convinced that sustainable management has been achieved to the present by returning to the Corporate Credo of “Service before Profit,” which means that those who give priority to service over profit will prosper, and simply and honestly implementing our daily business activities every time we faced a crisis like this.

Responding to changes in the times and society and constantly striving for self-innovation. We believe that we could do them through the unchanging values embedded in the Corporate Credo, that is, by firstly “pursuing the right path for society” as the cornerstone of our management activities. There is no crisis that we cannot overcome.

It is not clear at present what kind of world will emerge after COVID-19. Our raison d’être is to continue to find and provide solutions while facing such changes in society. To this end, while leveraging the Group’s existing strengths, we have added five elements: innovation, digital, global, sustainable and collaboration. In this way, we have embarked on the formulation of a new Medium-term Business Plan.

With regard to the new Medium-term Business Plan, we will set the goals for 2030 that look ahead to the post-COVID-19 world quantitatively and qualitatively. Under

the three-year medium-term plan starting in the following year 2021, we will maximize the synergy with the conversion of Parco into a wholly owned subsidiary for discontinuous growth. Through these initiatives, we aim to realize true business portfolio reforms.

Our role as a public entity of society is to strike a balance between social value and economic value by paying close attention to our stakeholders. Improving corporate value over the long term cannot be achieved without coexistence with society.

The important thing is to make sure that we properly identify risks and then strengthen our “defense” in order to ensure the safety and security of our stakeholders. At the same time, we must diligently prepare for an “offense” based on coexistence with COVID-19.

By overcoming the current crisis together with our stakeholders in a manner that will lead to concrete results for the new reality that will follow, we will do our utmost to realize the Group Vision: “Create and Bring to Life ‘New Happiness.’”

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